

## CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET  
SACRAMENTO, CA 95814-5512



June 17, 2002

Mr. Scott A. Busa,  
Project Development Manager  
Rio Linda/Elverta Project  
FPL Energy, Inc.  
700 Universe Boulevard  
Juno Beach, FL 33408-2683

Dear Mr. Busa,

In our phone conversation of June 4, 2002, with you and Derrel Grant, VP FPLE Energy Sacramento Power, LLC, we discussed the lack of progress towards resolving the outstanding issues associated with the Committee-suspended Rio Linda/Elverta Application for Certification (AFC). We note that the AFC has been suspended for nearly 9 months and that FPL has recently sold some of its air emission offset credits earmarked for the Rio Linda/Elverta Project.

We also note that the monthly status reports provided by FPL do not provide a timeline for submitting to the Energy Commission, the Preliminary Determination of Compliance (PDOC), responses to staff's data requests, and a supplement to the AFC addressing all project changes as required in the Committee order dated September 21, 2001. The Energy Commission has not seen evidence that FPL is diligently pursuing the Rio Linda/Elverta AFC. In the absence of specific progress in resolving the issues noted above, staff is considering filing a petition to have the project terminated.

So that we can better assess the progress made to date, please address, in detail, the following matters in a letter to the Committee and to staff. Please include a schedule showing when these matters are expected to be resolved and when a request will be made to move the project from suspension to active status. Specifically, please address the following points:

1. In light of FPL's selling some of its air quality offsets earmarked for the Rio Linda/Elverta Project, please describe the progress being made towards securing the necessary air quality offsets for the project and the timeline for any necessary U.S. Environmental Protection Agency (EPA) approvals.
2. Describe the information FPL needs to provide to the Sacramento Metropolitan Air Quality Management District (air district). Please indicate when FPL expects to provide the necessary information so that the PDOC can be completed.
3. If changes to the electrical transmission interconnection are being considered, please describe the changes, the progress being made to resolve these issues, and the schedule associated with the changes.

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4. If changes to the water supply for the project are being considered, please describe the changes, the progress being made, and the schedule associated with the changes.
5. Please describe the progress being made and the schedule for responding to the data requests that have not been fully addressed.
6. Please describe any other project changes being considered and the schedule for submitting a supplement to the AFC describing various project changes being considered.

We look forward to hearing from you on these matters, and your resolving the outstanding issues in a timely manner.

Sincerely,

Lance Shaw,  
Project Manager

Cc: POS